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Press Release

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SETTLEMENT OFFERS FUTURE SAVINGS TO PACIFICORP'S CUSTOMERS

SALT LAKE CITY, UTAH – The Utah Committee of Consumer Services (Committee), the Utah Industrial Energy Consumers (UIEC) and MidAmerican Energy Holdings Company (MEHC), who recently acquired PacifiCorp from ScottishPower, have settled a pending lawsuit on terms that offer future cost savings of approximately \$32 million to Utah ratepayers.

On October 6, 2005, the Committee filed a request with the Utah Public Service Commission, alleging that a U.S. Securities and Exchange Commission (SEC) audit revealed that PacifiCorp had been over-collecting income tax costs in Utah rates since its 1999 merger with ScottishPower. PacifiCorp denied the Committee's allegations and asserted the income tax costs it collected in rates were calculated in accordance with long-standing Public Service Commission practice.

The parties involved ultimately concluded that it was in the public's best interest to settle the dispute on reasonable terms. As a result, MEHC has agreed to transfer its \$12.2 million stock ownership in Intermountain Geothermal Company (IGC) to PacifiCorp.

PacifiCorp's ownership and control of IGC's steam fields offer potential economic benefits to Utah customers. The projected benefits of \$32 million, enough energy to supply 27,000 homes, are based on a 36 Megawatt expansion of the Blundell Geothermal Plant located near Milford, Utah. The expansion includes drilling additional wells in the geothermal field, constructing new generating facilities to be powered by those additional steam wells, and adding a heat recovery unit. The Blundell Geothermal Plant represents a 'clean energy resource' with costs projected to be lower than gas and coal resource alternatives.

"The current Utah Power \$197 million rate request is being driven, in part, by market price volatility relating to gas- and coal-fired resources. Expanding our clean energy resources will provide cheaper power for Utahns in the future," said Committee Director Leslie Reberg. "Also, this settlement does not compromise any positions regarding the appropriate treatment of income tax expense in future rate cases."

The Committee, a Utah state governmental agency, has the statutory responsibility of advocating in behalf of residential consumers and those engaged in small commercial enterprises in the state of Utah with respect to utility rates and other utility regulatory matters.